

EXHIBIT 12

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SONY COMPLETES \$2.3BN DEAL TO ACQUIRE EMI MUSIC PUBLISHING

249
SHARES

BY MURRAY STASSEN

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A large, white, sans-serif "SONY" logo is centered on a solid black rectangular background. The logo is rendered in a clean, modern font, with each letter "S", "O", "N", and "Y" stacked vertically.

Sony has completed its \$2.3bn acquisition (<https://www.musicbusinessworldwide.com/sony-buys-60-stake-in-emi-music-publishing-for-2-3bn/>) of EMI Music Publishing according to an SEC filing

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(<https://www.sec.gov/Archives/edgar/data/313838/000115752318002428/a51899979.htm>) posted today (November 14).

Sony Corp (<https://www.musicbusinessworldwide.com/companies/sony/>)'s takeover of EMI Music Publishing was given the green light (<https://www.musicbusinessworldwide.com/sony-takeover-of-emi-music-publishing-gets-green-light-in-europe/>) by European regulators without any alteration on October 26.

The closing of the \$2.3bn deal means that Sony is acquiring the final 60% of EMI, which becomes a wholly-owned subsidiary of Sony.

Other companies wholly owned by Sony Corp include **Sony/ATV Music Publishing** (<https://www.musicbusinessworldwide.com/companies/sony/sony-music-group/sony-music-publishing/>) – into which EMI Music Publishing is now expected to merge – plus **Sony Music Entertainment** (<https://www.musicbusinessworldwide.com/companies/sony/sony-music-group/sony-music-entertainment/>).

Sony already owns 30% in EMI Music Publishing and is buying the final 10% from the Jackson Estate for \$287.5m. (<https://www.musicbusinessworldwide.com/sony-corp-snaps-up-remaining-10-stake-in-emi-music-publishing-from-jackson-estate/>)

The remaining 60% equity interest in EMP has been acquired from investor consortium led by Mubadala Investment Company for the equity purchase price of \$2.3bn, based on an enterprise value of \$4.75bn.

According to the SEC filing, Sony has also assumed EMI's existing interest-bearing debt of approximately \$1.3bn as a result of the acquisition, of which \$960m was repaid immediately from Sony's existing cash.

"As a result of this acquisition, Sony expects to record additional operating income of approximately ¥105 billion (approximately \$925m), representing a non-cash step-up gain for the approximately 40% equity interest in EMI that Sony already owned and reflecting costs relating to the acquisition, in the Music segment in the third quarter of the fiscal year ending March 31, 2019," said a statement in today's filing.

In May 2018, Independent music trade body **IMPALA** (<https://www.musicbusinessworldwide.com/companies/impala/>) raised concerns (<https://www.musicbusinessworldwide.com/impala-raises-concerns-over-sony-and-emi-deal/>) over the "excessive bargaining power" Sony will have should its buyout of EMI Music Publishing go through.

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